GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2662
ANSWERED ON:17.03.2006
SPECIAL ECONOMIC ZONE FOR IT INDUSTRY
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

:-

(a) whether the Information and Technology (IT) Industry would be benefited from the scheme of Special Economic Zone;

(b) if so, the details thereof;

(c) the percentage of IT units set up in the Special Economic Zones by December 31, 2005;

(d) whether there is any proposal to set up Special Economic Zone exclusively for IT industry; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SHAKEEL AHMAD)

(a) and (b): Yes, Sir. The Special Economic Zones (SEZ) Scheme is likely to benefit the IT Industry as it provides various incentives to promote exports including duty free import/domestic procurement of goods, exemption from Central Sales Tax on supplies made from DTA, exemption from service tax and 100% income tax exemption for the first 5 years, 50% for the next 2 years and 50% of ploughed back profits for the next 3 years. In order to boost IT industry, a lower minimum area requirement has been provided in the recently notified SEZ Rules, 2006. The Scheme has received enthusiastic response from the IT Industry and the Developers.

(c),(d) and (e): Government of India has approved a number of SEZs in IT/ITES Sector. Approval has been given for setting up of 117 SEZs, out of which 57 pertain to IT Sector, i.e. 48.7% of the approved SEZs are in the IT Sector.